

MARKET
ANALYSIS
TRENDS
PRACTICES
PERSPECTIVES

The Evolving Landscape of the LNG Sector



Four Divisions – One Team



One integrated full-service team for your project to serve you from concept to commercial operations

Technical Services

- Adjusting
- Engineering
- Marine
- Offshore

Ship Broking

- Braemar ACM

Logistics

- Cory Brothers

Finance

- Braemar Naves



Braemar Shipping Services, PLC



Global Coverage
Local Presence



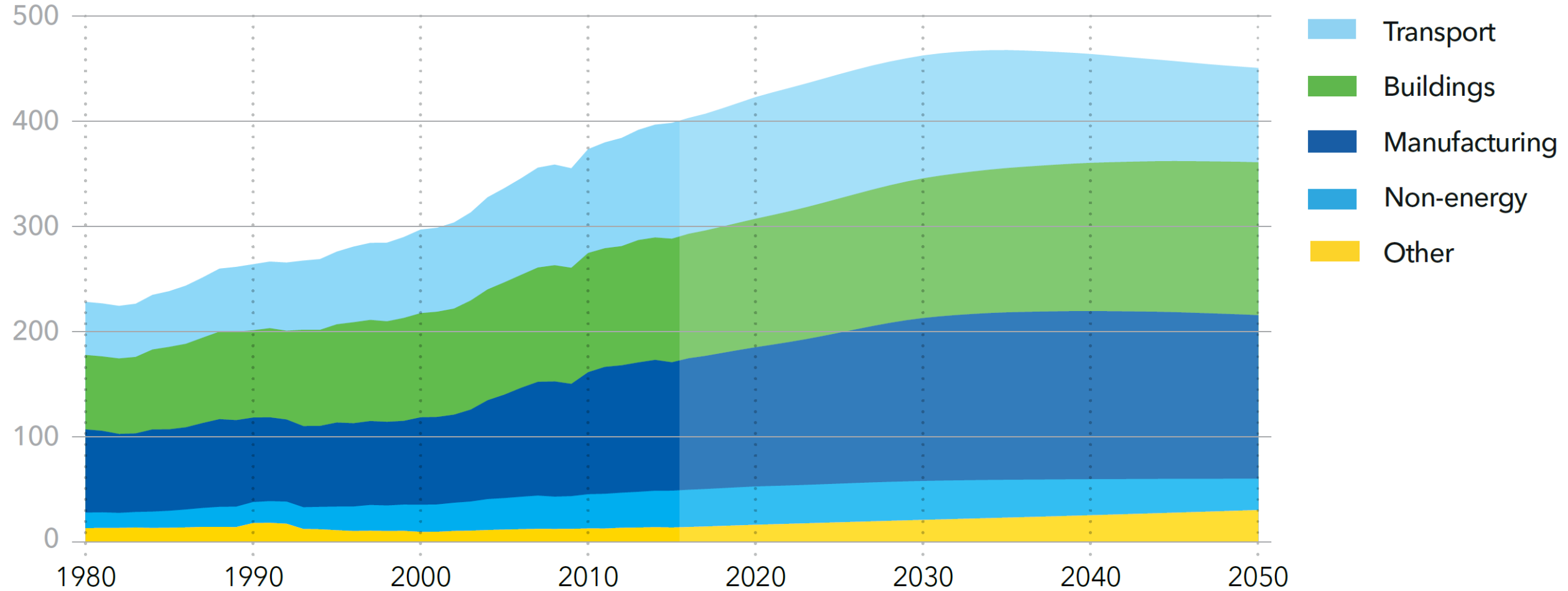
834 employees worldwide | FYE 2018 revenue USD\$ 175M LSE:BMS
Revenue split: Shipbroking 46% | Technical 26% | Logistics 25% | Financial 3%

The image features several high-voltage power transmission towers (pylons) silhouetted against a bright, low sun on the horizon. The sky transitions from a deep yellow near the sun to a clear blue at the top. The towers are complex lattice structures with multiple cross-arms supporting high-voltage power lines. The overall scene conveys a sense of industrial infrastructure and energy production.

Energy Demand Growth & Sources

Energy Demand Growth

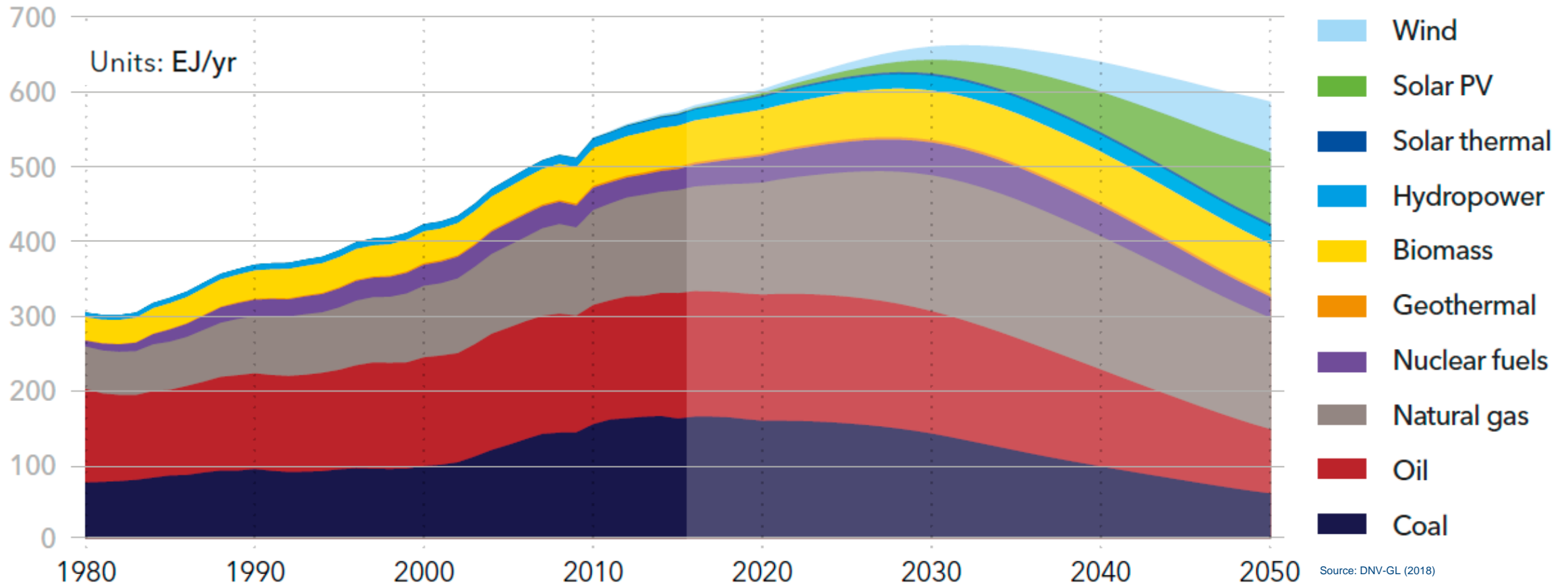
Units: EJ/yr



Source: DNV-GL (2018)

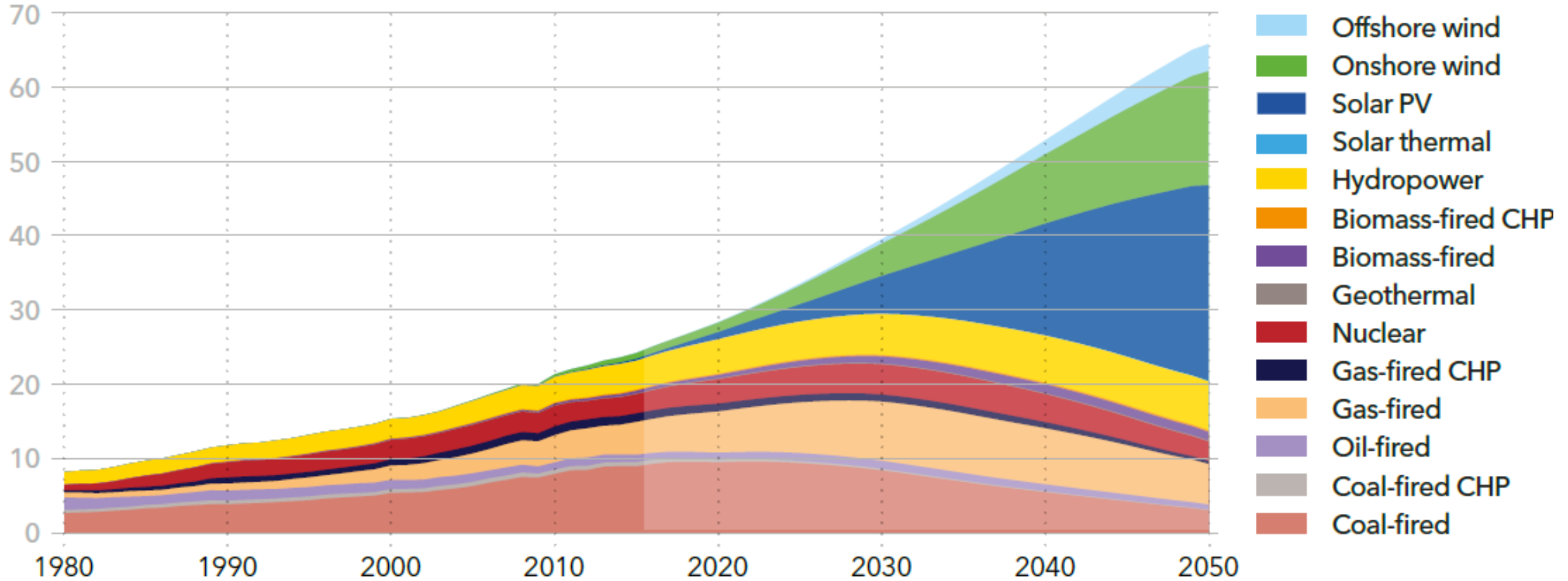
Energy Supply by Source

- Oil demand will peak in the 2020s and natural gas will take over as the biggest energy source in 2026.
- The world will need less energy from the 2030s onwards owing to rapid energy efficiency gains; forecast indicates primary energy supply will peak in 2032.



Natural Gas Still Has a Part to Play

Units: PWh/yr

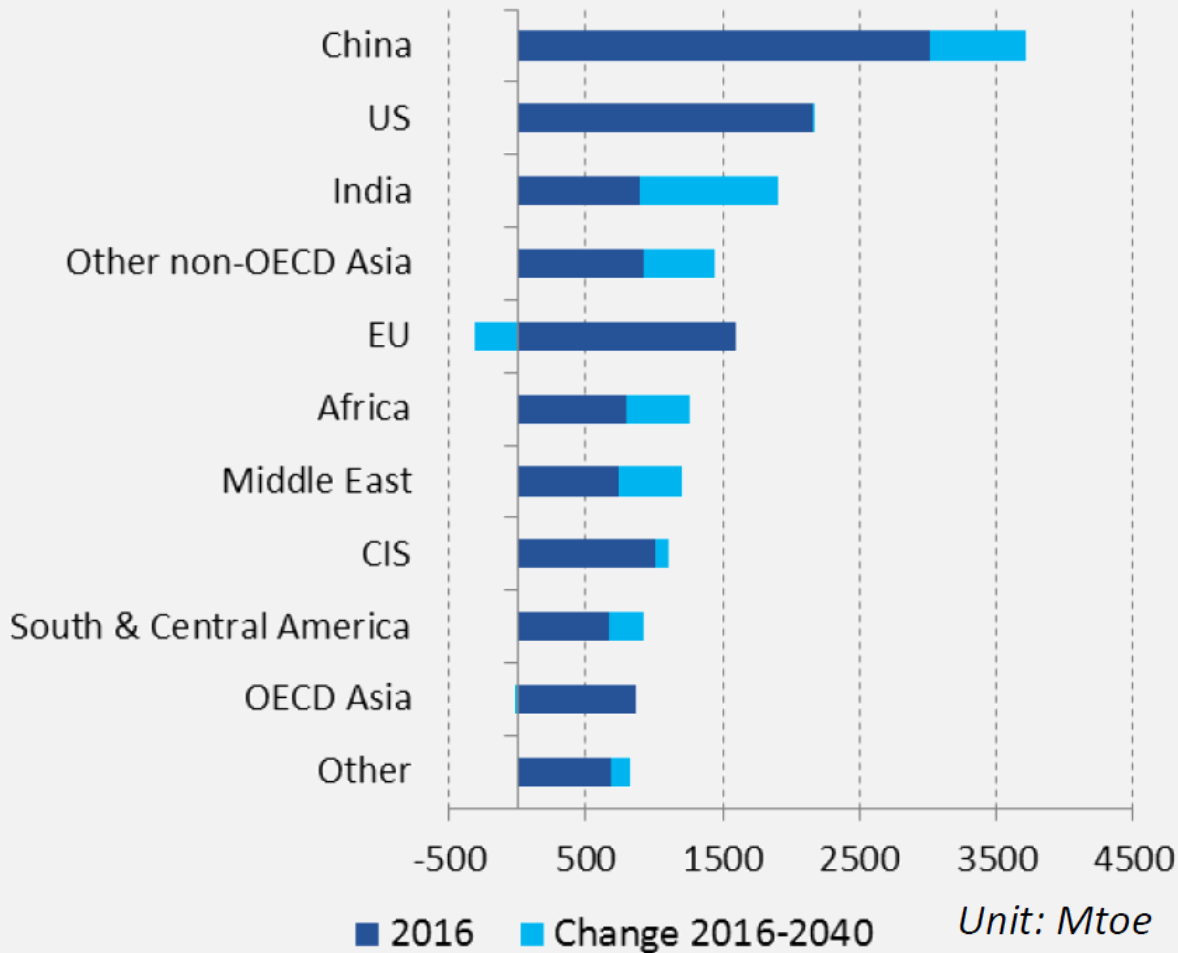


Source: DNV-GL (2018)

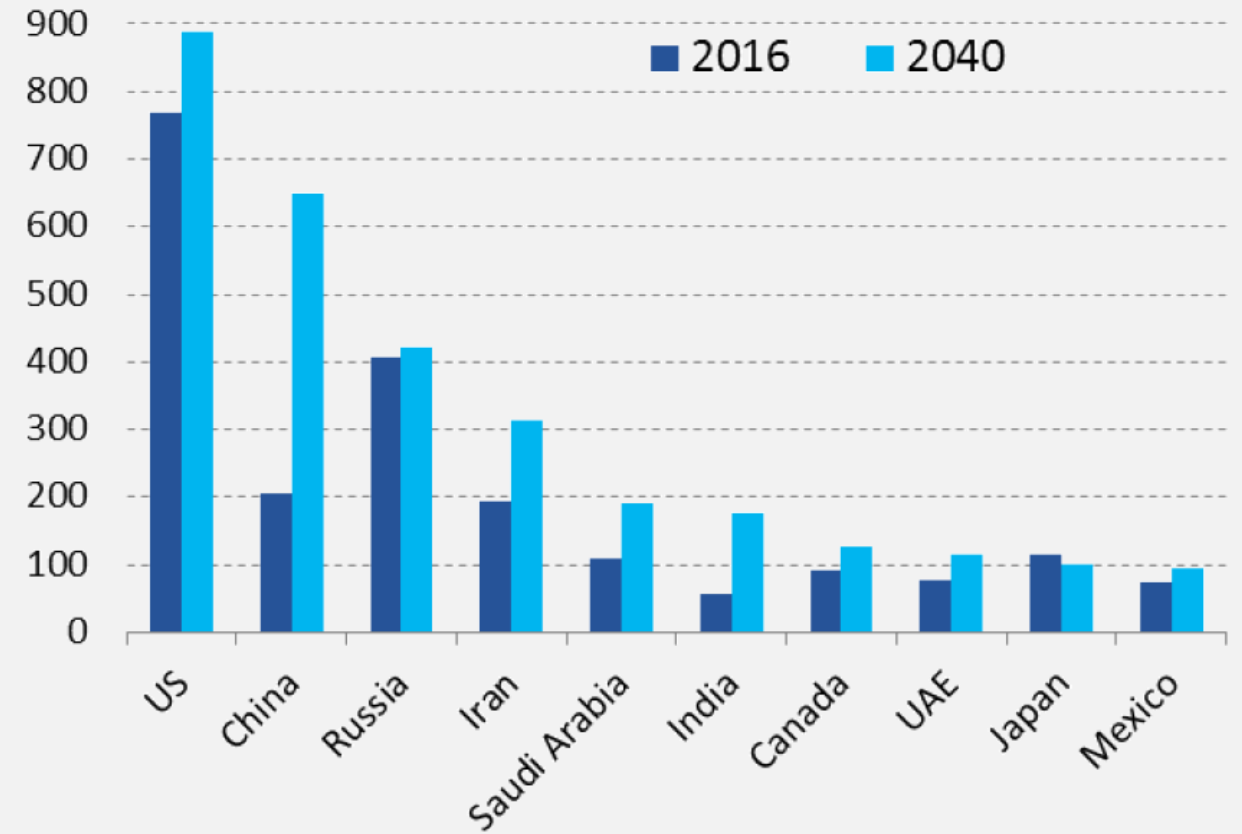
A photograph of an industrial facility with several tall smokestacks emitting thick white plumes of smoke that fill the sky. The scene is dimly lit, suggesting dusk or dawn. A semi-transparent dark horizontal band is overlaid across the middle of the image, containing the title text.

China & India's Massive Appetite

ENERGY DEMAND GROWTH BY ZONE

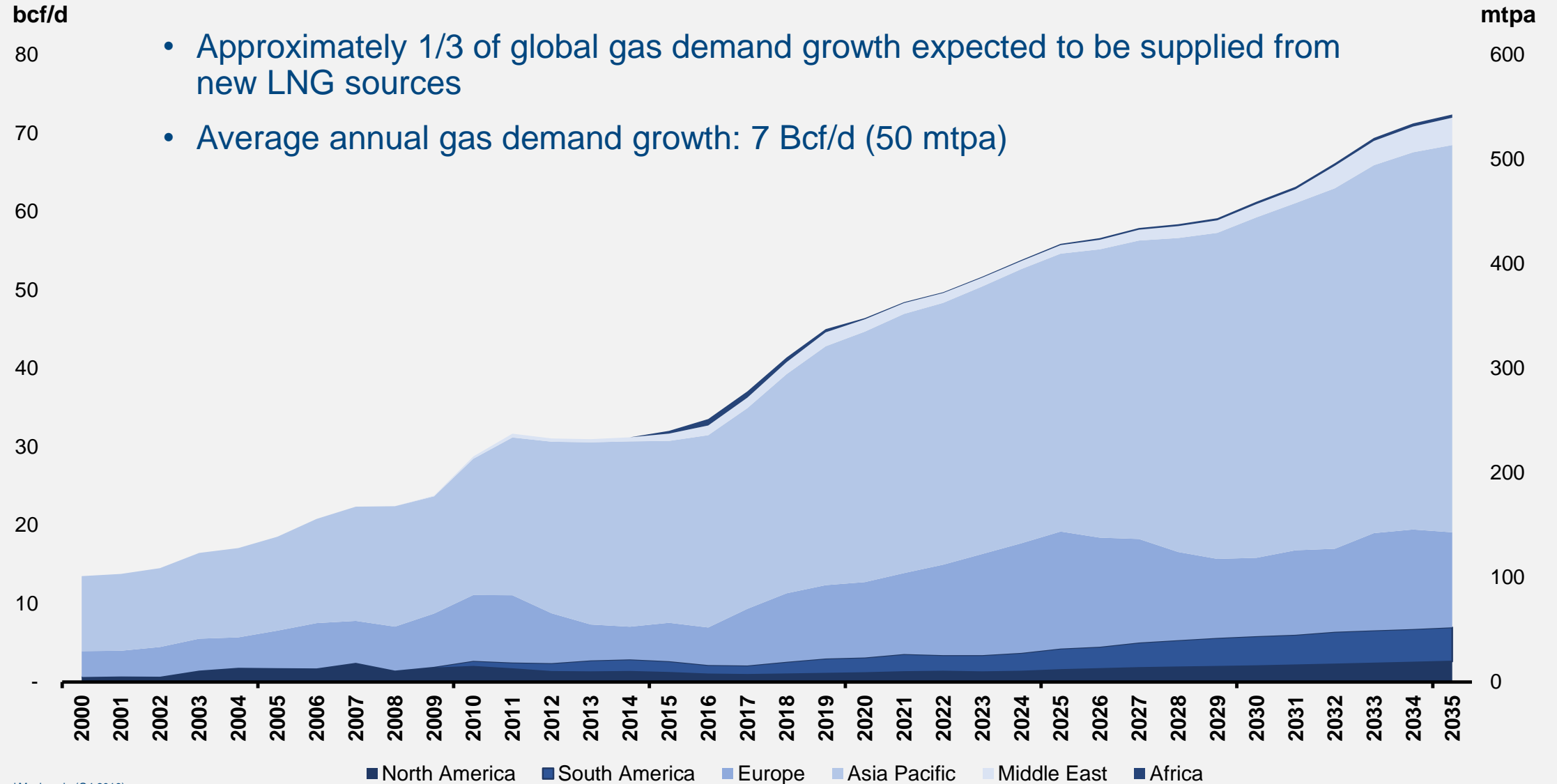


NATURAL GAS DEMAND



Source: CEDIGAZ (2018)

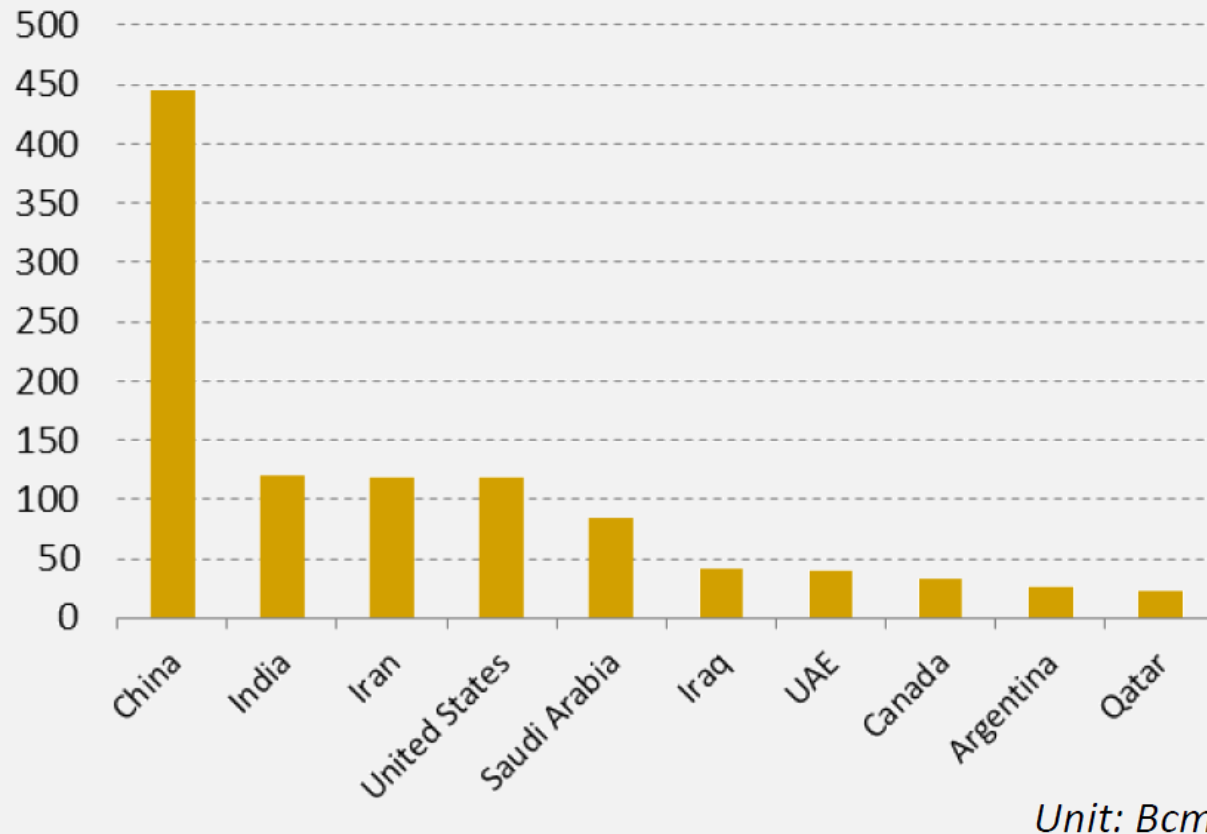
LNG Consumption Forecast



Source: Wood Mackenzie (Q4 2016)

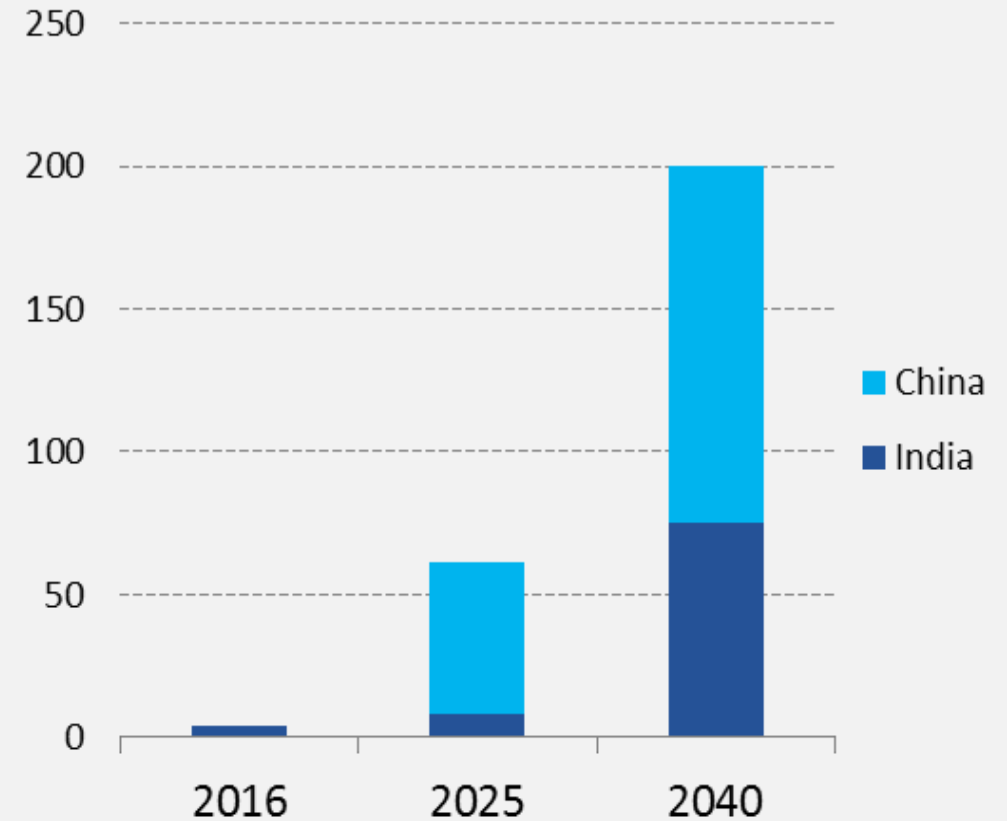
China & India's Fast Growth

VARIATION IN NATURAL GAS DEMAND 2016-2040



Source: CEDIGAZ (2018)

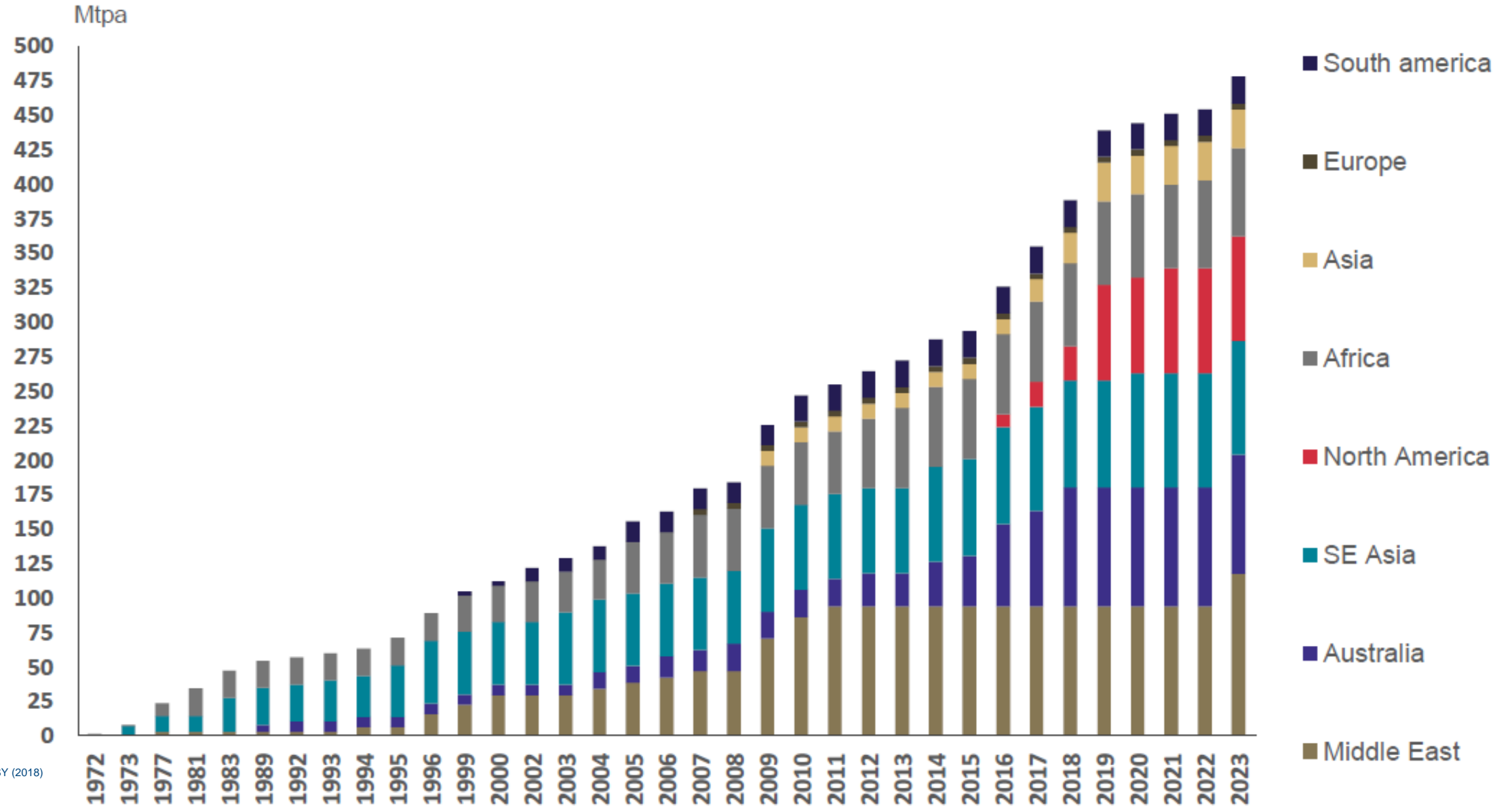
UNCONTRACTED LNG DEMAND



A photograph of an LNG processing plant at night. The foreground is dominated by a long, straight row of large, circular storage tanks. To the right, a complex network of pipes, walkways, and industrial structures is illuminated by artificial lights. In the background, a body of water is visible under a dark, cloudy sky. The overall scene conveys a sense of large-scale industrial activity.

LNG Capacity Existing & Developing

LNG Capacity Forecast

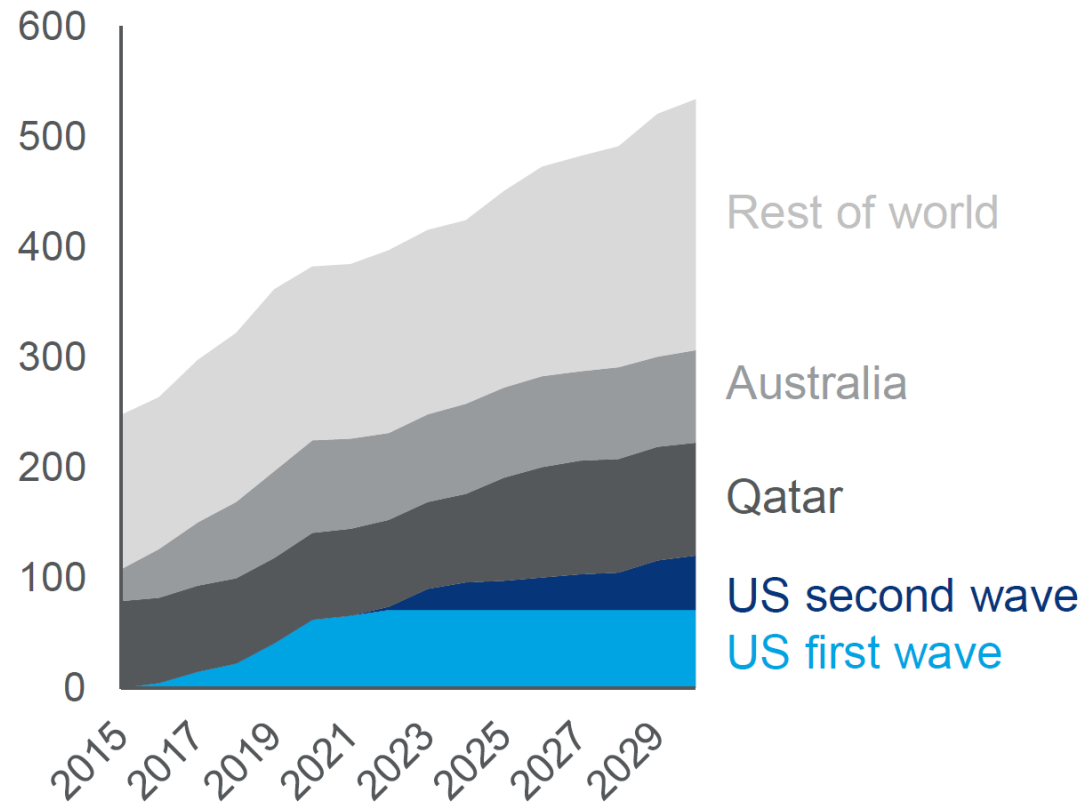


Source: SSY (2018)

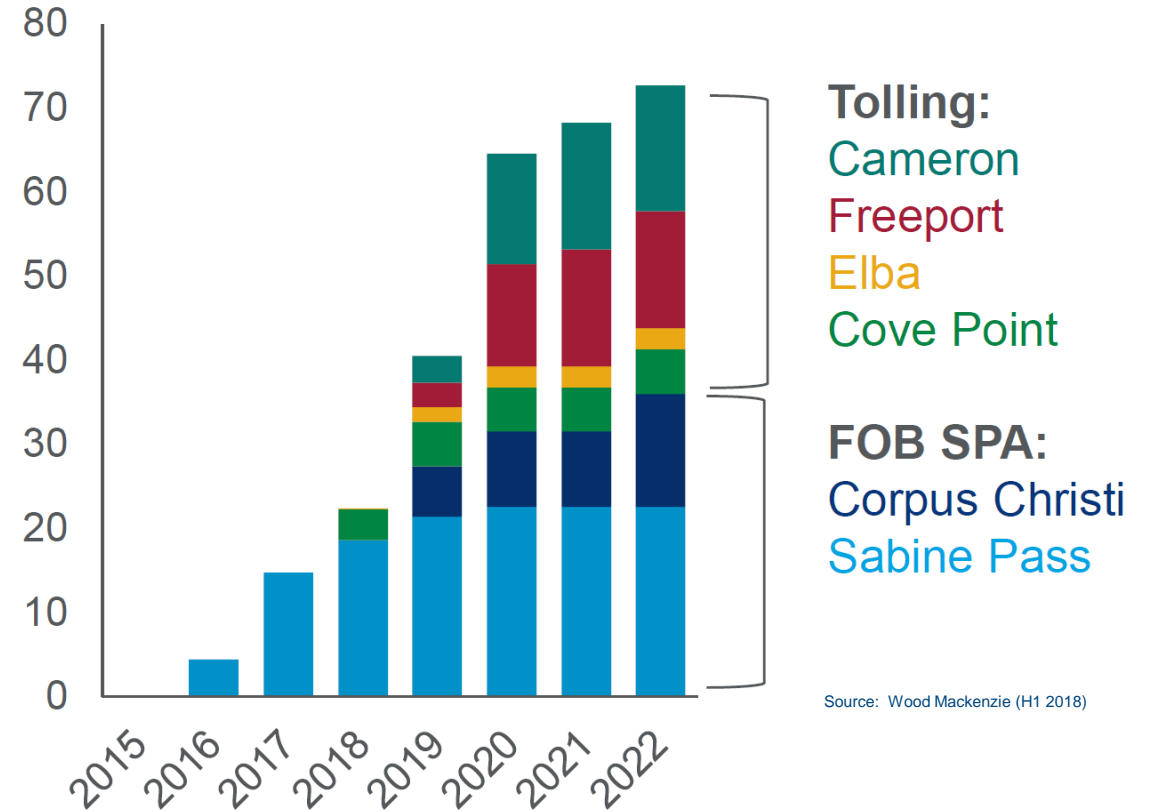
US LNG Projects Coming Online

- US LNG projected to represent nearly 18% of the global market by 2022, and the 2nd wave of expected projects will push that by another 5% by 2030

LNG supply by region (mmpta)



First wave US LNG capacity (mmpta)



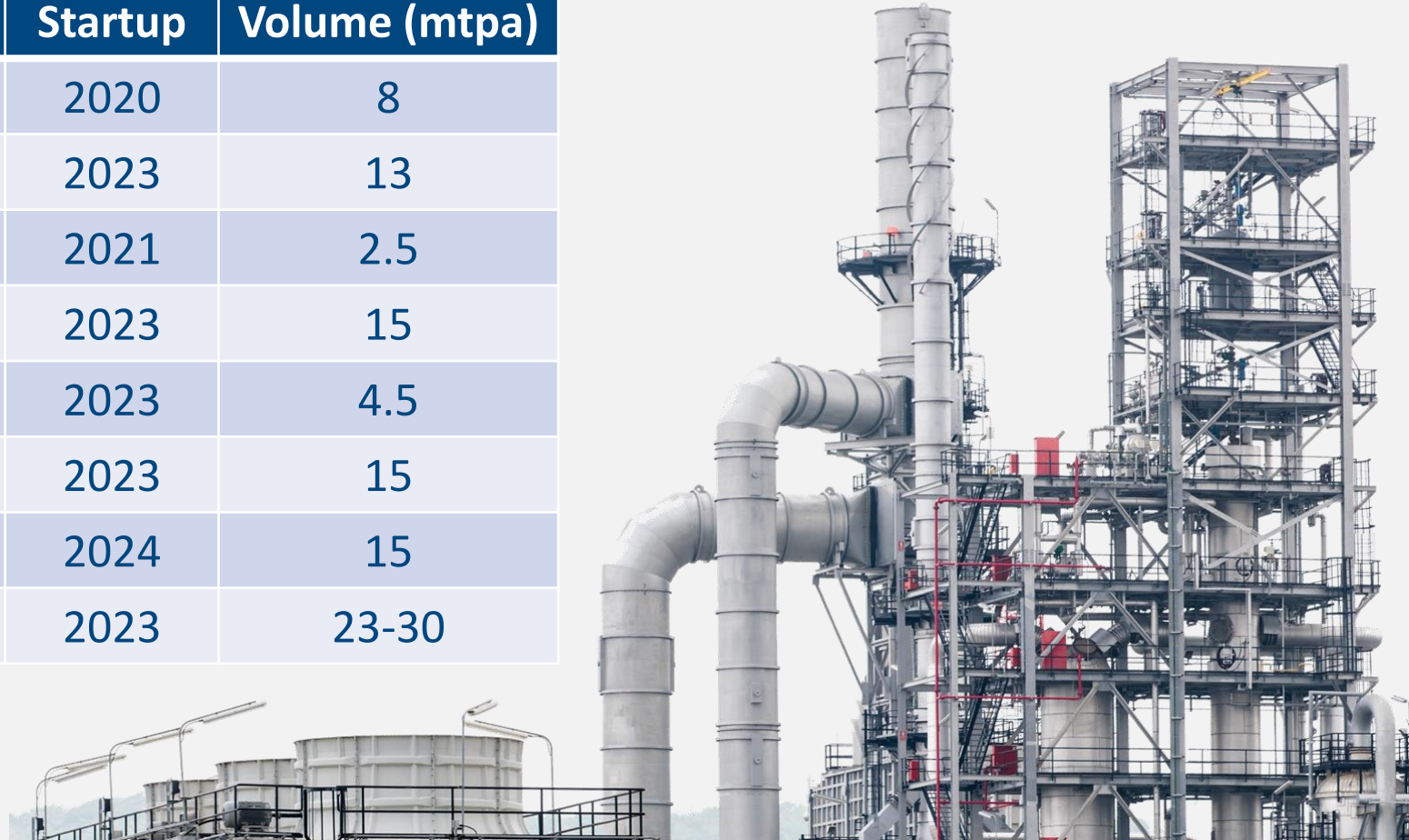
Source: Wood Mackenzie (H1 2018)

New Wave of Projects on the Cusp

- In addition to the US projects, there are a number of projects vying for permitting approvals and financing in 2018 - 2019

Project	Country	Startup	Volume (mtpa)
Nigeria LNG Train 7	Nigeria	2020	8
LNG Canada	Canada	2023	13
Tortue	Senegal, Mauritania	2021	2.5
Lake Charles	USA	2023	15
Sabine Pass Train 6	USA	2023	4.5
Golden Pass LNG	USA	2023	15
Rovuma	Mozambique	2024	15
Qatar Expansion	Qatar	2023	23-30

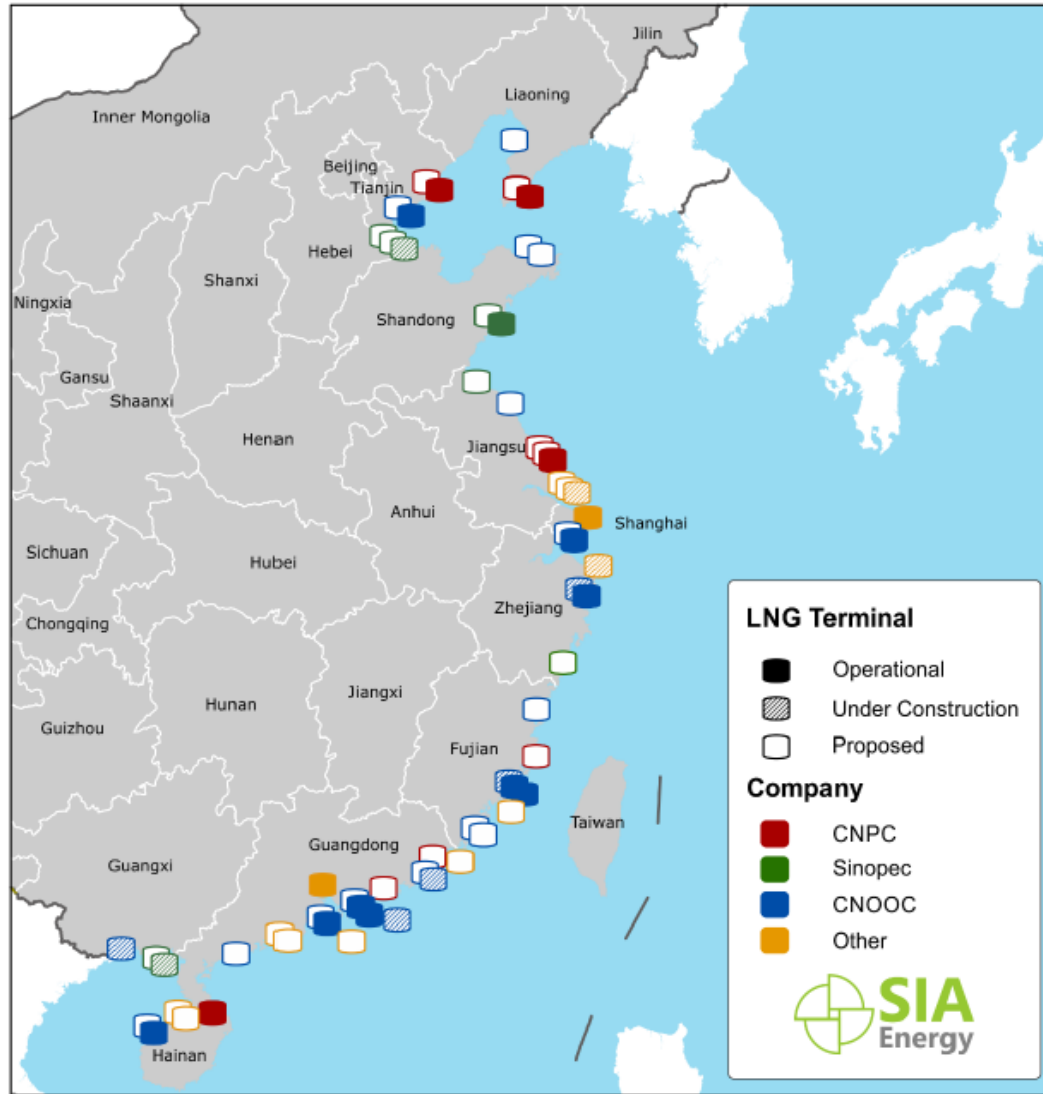
Source: Reuters



An aerial photograph showing two large red LNG tankers docked at a port. The tanker in the foreground is named 'EXQUISITE'. A yellow barge is positioned between the two tankers. The port infrastructure includes various pipes, cranes, and structures. The water is dark blue, and the sky is clear.

LNG Import Projects

“Next Generation” of Chinese Import Terminals



China LNG Receiving Terminals - NOCs



China LNG Receiving Terminals – 2nd Tier

Evolving Landscape

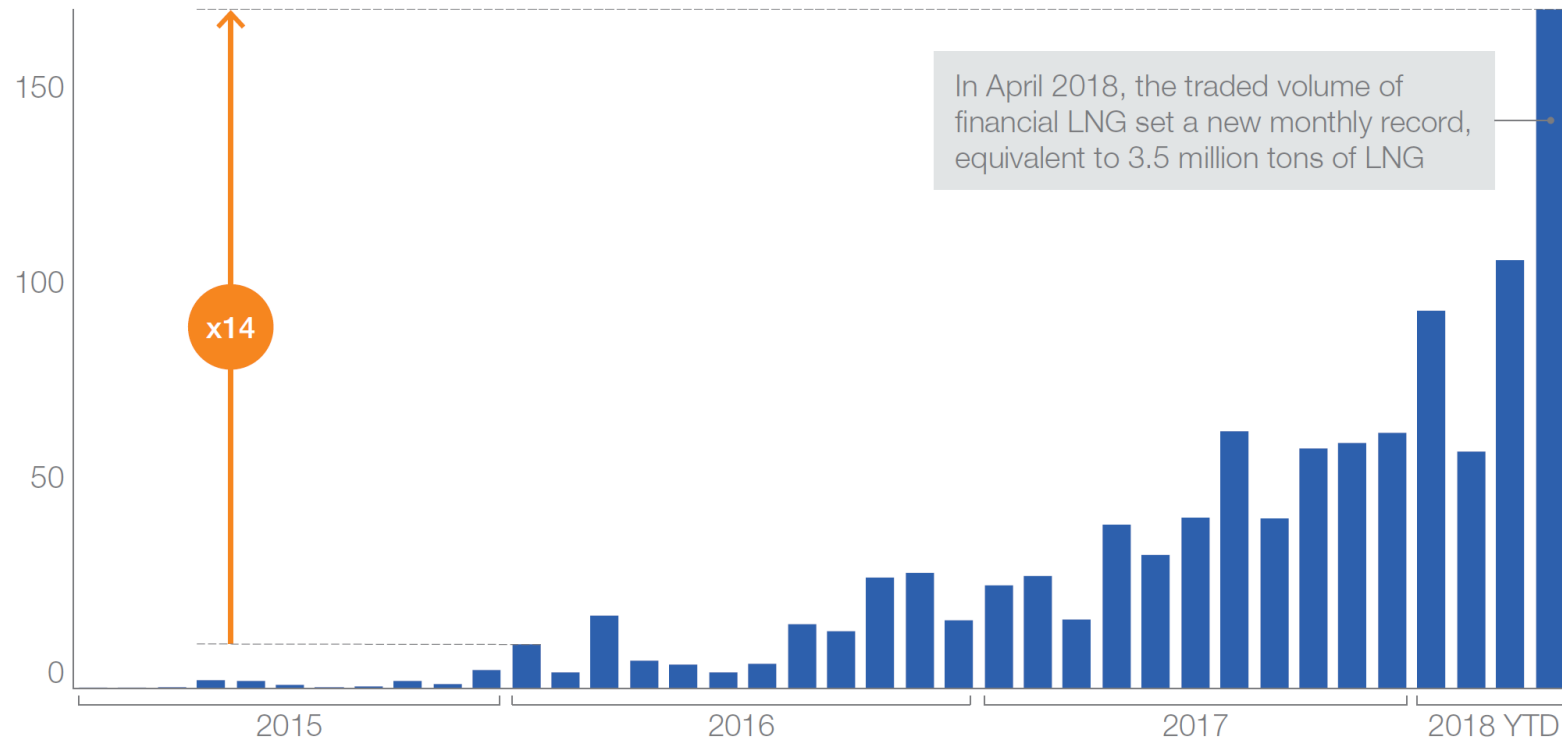


LNG Trading is Ramping Up

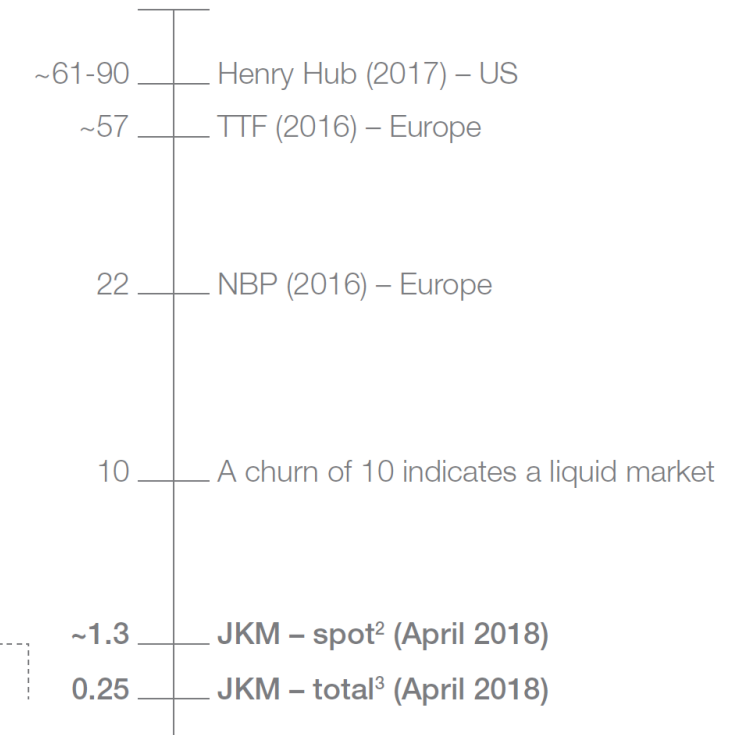
- Traded volumes in financial spot LNG market have increased, but relatively low churn rate indicates liquidity is still far from matching the major gas indices such as Henry Hub, TTF and NBP

Traded volumes of financial LNG derivatives¹ over 2015-18

Tbtu per month



Churn for global price gas markers

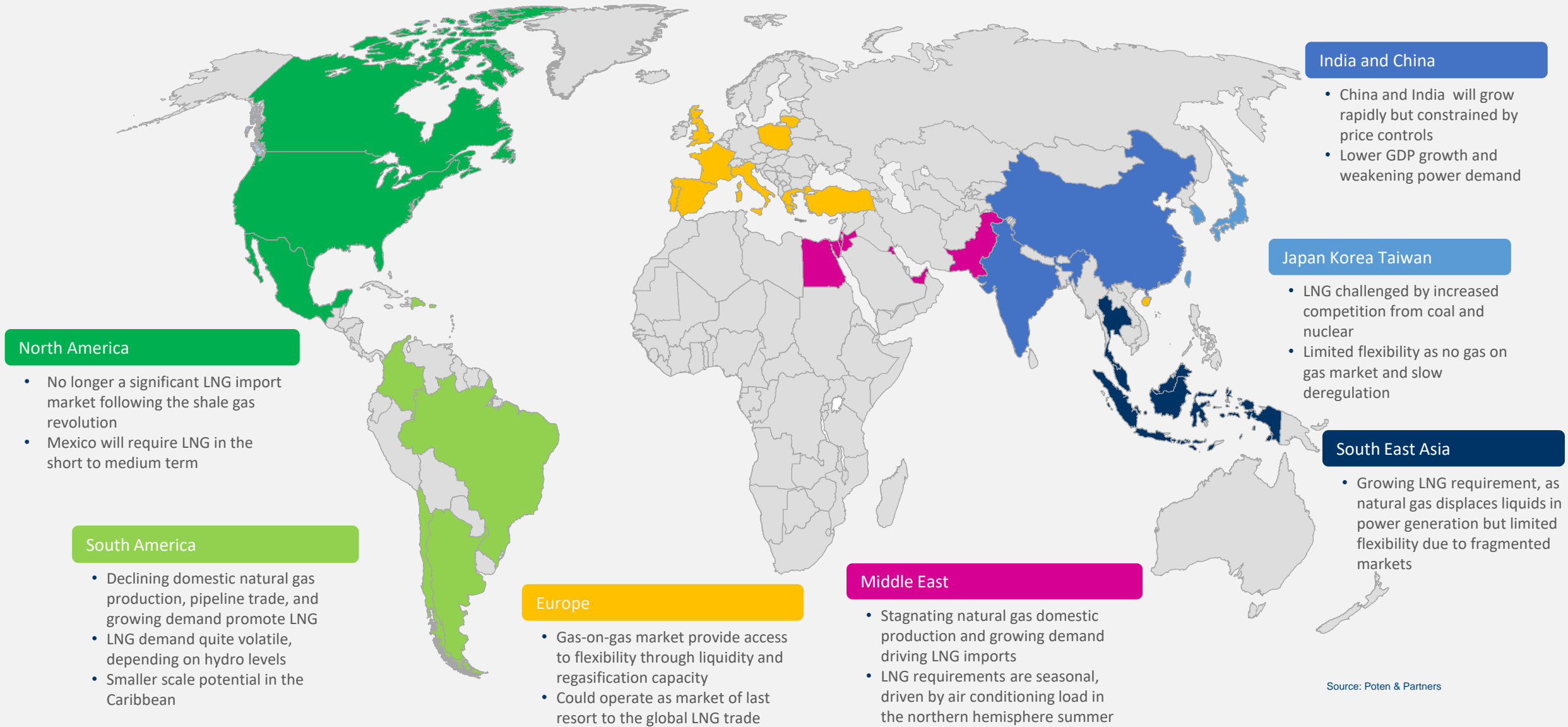


¹ Settled against the monthly average of Platts published Japan Korea Marker ² Churn for one month. Financially traded volume over spot imports into China, South Korea, Japan, and Taiwan

³ Churn for one month. Financially traded volume over total imports into China, South Korea, Japan, and Taiwan

Source: Energy Insights LNGFlow, OIES, press search

Dynamic & Diverse LNG Global Market



PREVIEW

Thank You

